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ARIZONA STATE UNIVERSITY ■ COLLEGE OF BUSINESS
BUREAU OF BUSINESS AND ECONOMIC RESEARCH

Arizona Index of Leading Economic Indicators

New Index to Signal State's Economic Turning Points

To provide an early warning of changes in the performance of the Arizona economy, the Bureau of Business and Economic Research has developed the Arizona Index of Leading Economic Indicators (hereafter referred to simply as "index"). The methodology used to construct this index is similar to that used to construct the national Index of Leading Economic Indicators, reported monthly by the U.S. Department of Commerce.

Both indexes predict economic turning points, i.e., when an expansion will turn into an economic contraction (recession) and when the recovery will follow a recession. The indexes warn of a recession several months before its onset; the lead time in predicting a recovery is somewhat shorter.

While the Arizona economy, like the national economy, follows a cycle in which contractions in business activity occur, on average, every four or five years, both the timing and magnitude of expansions and contractions are somewhat different in Arizona. An index specific to the state is needed to allow residents, businesses and governments to plan effectively for these changes.

COMPONENTS OF THE INDEXES

An economic indicator can be classified into one of three groups—leading, lagging, or coincident—depending on when changes in that indicator occur in relationship to changes in economic activity, as measured by the Gross National Product (GNP) or Arizona Gross State Product (GSP). Twelve eco-

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Inconsistent Economic Growth Likely Through '85

The economic expansion, both nationally and in Arizona, has gained new vigor, following slower growth during the third quarter, 1984. However, growth since the third quarter remains slower than that of 1983 and early 1984. The inconsistency of recent economic growth is likely to continue throughout 1985.

Oscillating economic activity is common during the mature stages of an economic expansion. After several successive quarters of rapid growth, such as those experienced during 1983 and the first half of 1984, the economy almost invariably

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nomic indicators meet the criteria, such as timing, consistency, and economic significance, for inclusion in the national Index of Leading Economic Indicators. Ten indicators pass the test for inclusion in the Arizona index, including two national indicators and several local counterparts.

Economic indicators can also be classified by economic process. The Arizona index includes a representative of each of the seven economic processes defined by the U.S. Department of Commerce, shown in Table 1. Each component of the Arizona index has been available monthly since 1970 and has consistently led changes in Arizona economic performance during the last 15 years.

Components of the state's index are seasonally adjusted and moving averaged to eliminate extreme values. Five components derived from Dr. Harold Fearon's survey of the purchasing management associations of Arizona and southern Arizona have been combined into one composite component, equal in importance to each of the other five components in computing the Arizona index.

Two components of the national index have been directly incorporated into the Arizona index: money supply (M2) and the change in sensitive materials prices. Unlike the other 10 national components, these two indicators can exist only at the national level: There is no Arizona money supply; and the wholesale prices of materials are no different in Arizona than elsewhere in the country. Further, each of these components represents important economic processes.

HISTORY AND INTERPRETATION OF THE INDEXES

The Arizona Index of Leading Economic Indicators is compared to turning points in the Arizona economy in Figure I. The highest and lowest indexes of each cycle occur prior to the beginning or end of each recession, respectively. The trend in the Arizona index is unimportant, caused only by the increase in real money supply. It should not be compared to the trend in the national index. (The Arizona Gross State Product should be used to measure growth of the Arizona economy.)

To accurately interpret both the national and Arizona indexes, a decision rule must be applied. While three consecutive monthly declines in the national index are frequently assumed to indicate a downturn in the national economy, application of this simple rule would have resulted in some false signals, e.g., predicting a recession when one did not develop in late 1955 and early 1962. In contrast, the following rule has nearly always been accurate, both in Arizona and nationally, in predicting a recession[1]:

- The index must decline for at least three successive months, with a total decrease of at least 1.5 percent.
- A subsequent month or two of

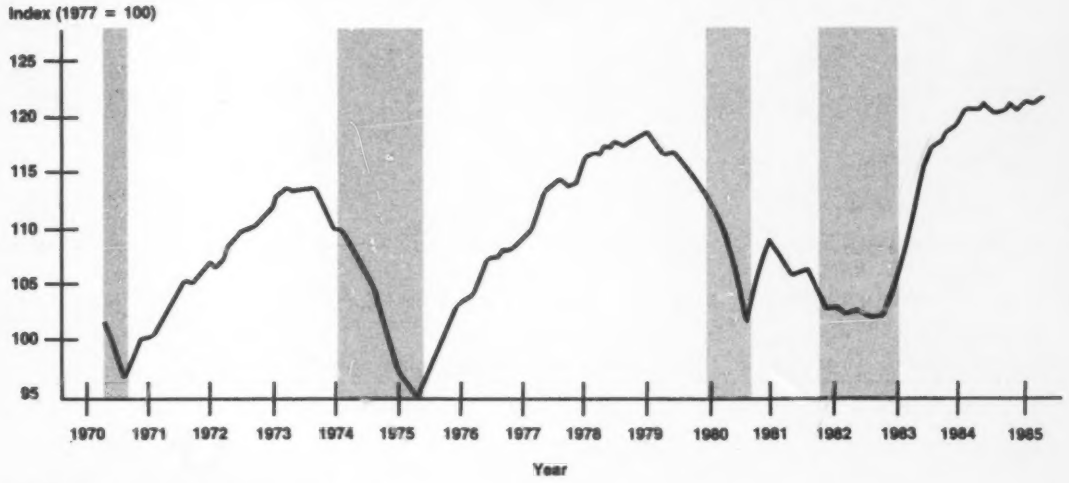
TABLE 1
COMPONENTS OF THE ARIZONA AND NATIONAL INDEXES OF LEADING ECONOMIC INDICATORS
By Economic Process

Economic Process	Arizona	National[4]
Employment and Unemployment	Average workweek, Arizona manufacturing industry[1]	Average workweek, manufacturing industry
	Arizona unemployment insurance claims[1]	Average weekly initial unemployment claims
	Employment[2]	
Production and Income	Production[2]	
Consumption, Trade, Orders, and Deliveries	New orders[2]	New orders, consumer goods and materials
	Delivery time from vendors[2]	Vendor performance
Fixed Capital Investment	Residential building permits, Maricopa County[3]	New building permits, private housing
		Net business formation
		Contracts and orders for plant and equipment
Inventories and Inventory Investment	Purchased materials inventory level[2]	Change in inventories on hand and on order
Prices, Costs, and Profits	Change in sensitive materials prices: same as national	Change in sensitive materials prices
		Stock prices, 500 common stocks
Money and Credit	Money supply (M2): same as national	Money supply (M2)
		Change in credit outstanding

Sources:
[1]Arizona Department of Economic Security.
[2]Monthly business survey of the purchasing management associations of Arizona and southern Arizona.
[3]Bureau of Business and Economic Research, College of Business, Arizona State University.
[4]U.S. Department of Commerce, Bureau of Economic Analysis.

FIGURE I

ARIZONA INDEX OF LEADING ECONOMIC INDICATORS



Shaded areas indicate Arizona recessionary periods.

Source: Bureau of Business and Economic Research, College of Business, Arizona State University.

gains in the index does not affect the forecast unless the increase(s) places the value of the index within 1.5 percent of the value it had immediately preceding the series of declines.

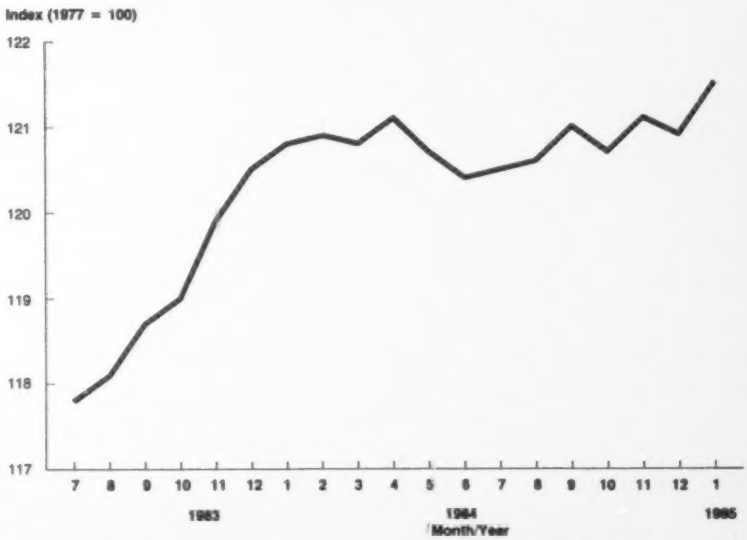
- The peak value of the index is not necessarily important: It is not unusual to have a period of mixed monthly increases and decreases in the index after its peak but prior to its true decline.

Application of this decision rule to the national index provides an average of four months lead time from recognition to commencement of a recession. For example, in August 1979, the national index had fallen for three consecutive months by more than 1.5 percent, allowing prediction of the recession that began in January 1980. Application of this decision rule to the Arizona index provided a median lead time of five months in predicting the three recessions since 1970; the median lead time was only two months for these three national recessions.

The decision rule for predicting the recovery from a recession is not as strict as that for predicting a slump: Either three consecutive monthly increases in the index or two increases that total at least 1.5 percent will reliably indicate an upturn. This rule has never given a false signal either nationally or in Arizona. However, the lead time from recognition to commencement of a recovery is quite short, on the average just 1.5 months nationally. In Arizona, recognition is coincident with the recovery's start.

FIGURE II

ARIZONA INDEX OF LEADING ECONOMIC INDICATORS



Source: Bureau of Business and Economic Research, College of Business, Arizona State University.

INTERPRETING THE CURRENT INDEXES

The Arizona index has essentially been flat since January 1984 (see Figure II). During 1984, the index fluctuated up and down, with no change exceeding 0.3 percent. The unusual length of this pattern foresaw the inconsistent economic growth of the second half of 1984 and indicates that such fluctuations are likely to continue during 1985.

The January 1985 index value was 121.5, a 0.5 percent increase from December. Although this was larger than any monthly gain of the prior 12

TABLE 2
NET CONTRIBUTION OF INDIVIDUAL COMPONENTS TO THE ARIZONA INDEX OF LEADING ECONOMIC INDICATORS
(1977 = 100)

	Index Value				Net Contribution		
	Oct.	Nov.	Dec.	Jan.	Nov.	Dec.	Jan.
Delivery Time*	97.4	96.2	95.9	95.4	−.04	−.01	−.02
Inventory Levels*	98.4	98.5	98.5	97.5	.00	.00	−.04
New Orders*	99.9	99.1	99.9	99.2	−.03	.03	−.03
Production*	99.0	99.5	100.6	101.1	.02	.04	.02
Employment*	98.7	98.0	97.7	97.5	−.03	−.01	−.01
Residential Building Permits	102.6	102.8	102.5	103.5	.04	−.05	.20
Unemployment Insurance Claims	101.0	101.0	99.3	98.1	.00	−.29	−.24
Average Workweek Manufacturing	106.2	105.9	102.6	101.6	−.05	−.56	−.16
Money Supply	219.8	222.2	225.4	230.2	.40	.53	.96
Change in Sensitive Materials Prices	95.6	96.3	97.1	NA	.12	.13	NA
OVERALL INDEX	120.7	121.1	120.9	121.5	.43	−.19	.64

*Based on indicators from the purchasing management associations of Arizona and southern Arizona.

NA = Not available.

Source: Bureau of Business and Economic Research, College of Business, Arizona State University.

months, caution is necessary in interpreting a single month's change.

The components of the Arizona index have moved in various directions since early 1984. The five components derived from the survey of purchasing managers have steadily, but slowly, declined, as have sensitive materials prices, although this component rose again in November and December. Both the residential building permits and average manufacturing workweek components fell during spring and summer 1984, and the latter has resumed its decline during the last four months, while the former has continued a slow rise that began in September. The unemployment insurance claims component rose through most of 1984 but has fallen during the last four months. The money supply rose slowly through much of 1984, but the rate has been more rapid since November.

The recent performance of each component of the Arizona index is provided in Table 2, where the actual values have been converted to indexes. The net contribution of each component is calculated by multiplying its monthly change by its relative importance.

The national index has also had an inconsistent pattern in recent months. However, it did rise early in 1984 to a definite peak in May; monthly indexes since that time have clearly been lower. As of its most recent revision, the national index has not declined for three successive months. The national index may be indicating that the potential economic slowdown will be slightly more pronounced nationally than in Arizona. This was true during the third quarter, 1984, when GNP growth fell below its historical average, while adjusted Arizona GSP growth remained higher than its historical average.

OUTLOOK

The Arizona Index of Leading Economic Indicators and its national counterpart are pointing neither toward a resumption of solid, strong economic growth nor to an economic recession during 1985. Instead, oscillating economic activity is likely to continue. A detailed economic forecast begins on the front page of this issue.

— **Luke Koons**
Research Analyst

— **Tom R. Rex**
Research Manager

[1]The index does not distinguish between a true recession and a "growth recession." The latter term refers to a period in which economic growth slows to less than its historical average, without contracting. The result is usually a mild version of the severe displacements to individuals, businesses and governments that occur during a true recession.

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enters a period of slower, inconsistent growth. This period sometimes ends in a recession; at other times, it precedes a new period of solid growth.

The recent inconsistency of economic growth coincides with a series of mixed signals from various economic indicators. It is important not to place too much significance on any single indicator, particularly on a monthly basis. Even the growth in the Gross National Product (GNP) has to be viewed with caution: The fluctuation of growth during the last three quarters of 1984 (7.1 percent, 1.6 percent, and 4.9 percent, respectively) is relatively mild compared to the erratic growth of earlier mature expansions; the growth in one quarter should not be interpreted as an indicator of the growth in future quarters.

Recent fluctuations in growth seem to relate to changes in national monetary policy and to subsequent changes in interest rates. Thus, the recent acceleration of growth likely is a result of looser monetary policies adopted during fall 1984 by the Federal Reserve Board and of the decline in interest rates, which occurred primarily from November through January. Since the Federal Reserve Board has already announced that it will not further loosen monetary policy, interest rates probably will fall no further and are expected to rise again by summer 1985. Thus, some slowing of economic growth is expected later this year.

NATIONAL FORECAST

In making its Arizona and Maricopa County economic forecasts, the Bureau of Business and Economic Research reviews forecasts for the national economy. In particular, the predictions of Data Resources, Inc.

(DRI) are analyzed in detail. The February 1985 DRI forecast calls for growth in GNP to exceed the historical average of 3 percent during the first half of 1985, with a slide below 3 percent thereafter. Changes in the growth rate are viewed as directly related to interest rate fluctuations.

Although growth is expected to again slow, no contraction is foreseen through 1985. Traditional signs of a recession are not currently apparent: wage and price inflation, material shortages, high utilization of production facilities, rising interest rates. However, the level of consumer debt is relatively high; further increases in this debt and rising interest rates could cause the economy to slow later this year. Other potential problems include the federal budget deficit and the trade deficit. According to DRI, "the economy will continue to oscillate, with the timing of peaks and troughs depending heavily on Federal Reserve policy and the size and composition of new budget initiatives."[1]

ARIZONA FORECAST

The Arizona economy set a number of records during 1984 in the wake of a strong year in 1983; thus, a slowing of growth during 1985 to more sustainable levels is inevitable. This slackening should not be viewed negatively: it will help prevent problems such as inflation from developing; and growth in 1985 is still expected to be better than average.

The current forecast of the Bureau of Business and Economic Research (BBER) is not substantially different from that made last December (see Table 1). Growth in the inflation-adjusted Arizona Gross State Product (GSP) is expected to average 7.2 percent during 1985, substantially less than the estimated record of 12.7 percent during 1984, but still greater than the 5.5 percent historical average.

TABLE 1
1985 ECONOMIC FORECAST

	Arizona		Maricopa County	
	1984[A]	1985[F]	1984[A]	1985[F]
Gross State Product				
(millions of 1972 dollars)	19,945[E]	21,375	NA	NA
Percent Change	12.7	7.2	NA	NA
Personal Income				
(millions of current dollars)	35,311[E]	38,880	NA	NA
Percent Change	11.8	10.1	NA	NA
Retail Sales				
(millions of current dollars)	19,426[E]	21,375	12,486[E]	13,775
Percent Change	11.8	10.0	13.1	10.3
Consumer Price Index				
Percent Change	NA	NA	5.8	5.7
Unemployment (percent)	5.0	5.7	3.8	4.5
Wage and Salary Employment				
(number in thousands)	1,181	1,250	770	820
Percent Change	9.6	5.8	11.1	6.5
Population				
(number in thousands)	3,095[E]	3,210	1,740[E]	1,810
Percent Change	4.5	3.7	4.8	4.0
New Single Family Housing Units				
Permitted (number)	30,845	28,250	20,774	19,000
Percent Change	− 0.3	− 8.4	− 0.9	− 8.5
New Multifamily Housing Units				
Permitted* (number)	47,539	23,775	36,817	15,000
Percent Change	43.0	−50.0	53.8	−59.3
Value of Building Permits				
(millions of current dollars)	5,282	4,425	3,811	3,100
Percent Change	44.0	−15.9	54.3	−18.7

A = Actual
E = Estimated
F = Forecast
NA = Not Available

* Apartment complexes of three or more units

Source: Bureau of Business and Economic Research, College of Business, Arizona State University.

Personal income, not inflation-adjusted, is expected to rise 10.1 percent during 1985, less than last year's 11.8 percent. This is still a very strong performance, particularly since much of the gain will be real, due to the continuation of moderate inflation during 1985. The forecast is slightly lower than that made last December because the lower interest rates of the last few months will cause the interest income portion of personal income to be less than otherwise expected during 1985.

Arizona and Maricopa County retail sales are expected to weaken during 1985 by proportions similar to those for personal income. With the inflation rate, measured by the Metropolitan Phoenix Consumer Price Index, expected to remain stable during 1985, the inflation-adjusted growth of retail sales will still be quite strong. The continued strength of the U.S. dollar is stabilizing inflation rates at a stage of the economic cycle when they usually would rise.

Population and Employment

While it is impossible to obtain accurate population counts except during censuses, most analysts agree that the 1984 population increase in Maricopa County and in Arizona as a whole was higher than in any prior year (see Figure I). The population of Maricopa County rose by 82,000 people, according to BBER estimates, exceeding the 1973 record increase of 70,000 people. Much of the growth was probably stimulated by Arizona's unemployment rates—the lowest in the Sunbelt. The recent rise in the unemployment rate should slightly retard migration to Arizona during 1985. Still, an additional 70,000 people are expected in Maricopa County and 115,000 statewide.

The unemployment rate reached record lows in November 1984: 4.2 percent in Arizona and 3.2 percent in Maricopa County. Despite the record level of economic activity, such low unemployment rates surprised most analysts since they seemed to conflict with the very large population inflows.

Recently, the unemployment rate shot up dramatically, reaching 5.4 percent in Arizona and 4.2 percent in Maricopa County during January 1985. While this sharp rise reflects weakening economic conditions, it results more from the record population increase. Thus, such jumps in

unemployment should be temporary, with the rate later in 1985 drifting only slightly higher. An average of 5.7 percent is expected for Arizona and 4.5 percent for the Phoenix area. These unemployment rates are not much higher than the lowest rates reached during the expansion of the late 1970s (see Figure II).

Arizona added 103,000 wage and salary employees during 1984, easily surpassing the 1978 record of 86,000 new jobs. Employment in Maricopa County rose by 77,000, breaking the 1978 record of 65,300 new jobs. Corresponding to generally slower economic growth during 1985, employment growth is also expected to decelerate.

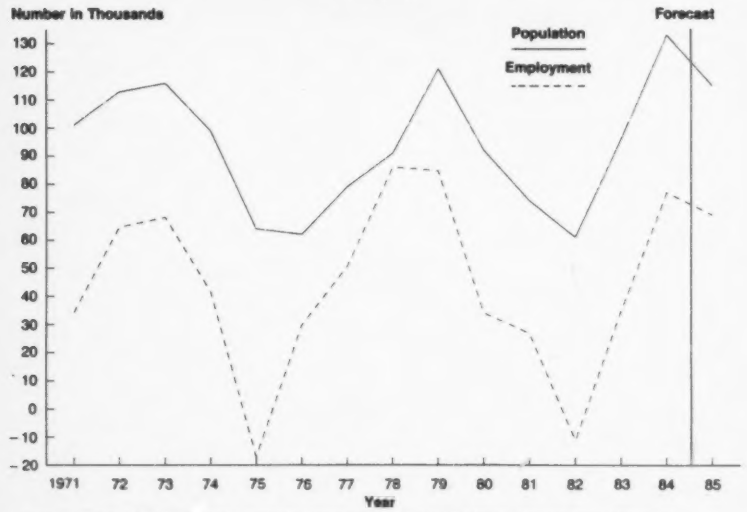
Real Estate

The BBER real estate forecast has not changed since December. The number of new single family housing units permitted is predicted to decline slightly during 1985 from the 1983 and 1984 levels. This sector is likely to be strongest early in 1985; the expected rise in interest rates should slow the market later in the year.

The number of new multifamily housing units permitted (apartment complexes of three or more units) is still anticipated to decline sharply from the phenomenally high levels of 1984. The 36,817 units permitted in Maricopa County during 1984 was more than 50 percent higher than the number permitted in the record year of 1983; the 1985 forecasted level of 15,000 units is still historically high. Most of these permits are expected to be issued during the first few months of 1985. If apartment construction exceeds the forecast during 1985, it will be due to aggressive development and lending that is based on potential rather than on existing demand.

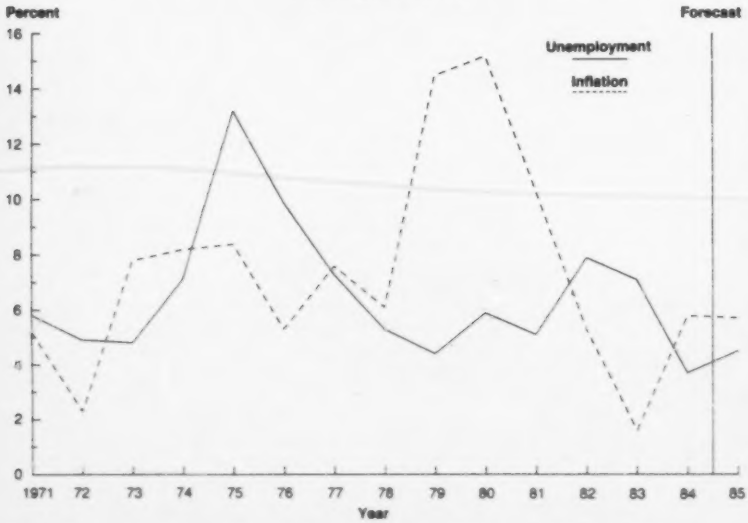
Construction activity in other sectors of the market is forecast to be similar in 1985 to its level in 1984. Industrial construction may rise slightly. Most of the expected decline in the value of building permits is a result of the projected decrease in apartment construction.

FIGURE I
CHANGE IN EMPLOYMENT AND POPULATION
Arizona



Source: Bureau of Business and Economic Research, College of Business, Arizona State University.

FIGURE II
UNEMPLOYMENT AND INFLATION RATES
Maricopa County



Source: Bureau of Business and Economic Research, College of Business, Arizona State University.

SUMMARY

The economic expansion is now in its third year. The average length of peacetime expansions since World War II has been 34 months. Apparently, this one will exceed the average since it is expected to continue past October 1985.

As noted by DRI, the exact timing of the next recession will be even more difficult than usual to predict. Current conditions suggest that a slump will not occur during 1985. While a downturn during 1986 seems most likely, the expansion of the late 1970s lasted nearly five years, the longest ever during peacetime. If the current expansion matches this length, the next slump would not occur until the second half of 1987.

Response to the higher interest rates that are likely during the next few months should help to ascertain the timing of the next recession. Close watch of the Arizona Index of Leading Economic Indicators and its national counterpart should provide the earliest warning.

— **Luke Koons**
Research Analyst

— **Tom R. Rex**
Research Manager

[1]Data Resources, Inc., *Review of the U.S. Economy*, February 1985, p. 2.

February Purchasing Indicators Sweep Upward

The economy was on an upward sweep in February, giving further evidence that the end-of-the-year pause was only temporary. All indicators of economic activity were positive for the second month in a row, with new orders received, production, and employment enjoying particularly strong growth.

The year is off to a good start, and the upward momentum is building. The growth plateau experienced in the final quarter of 1984 was only temporary, and the first quarter of 1985 will wind up on a very positive note. All of the pieces appear to be in place for further good economic news over the next several months. While it is unlikely that this current resumption of growth will be as strong as that experienced during the early part of 1984, the Arizona economy shows underlying strength.

Table 1 presents the results of the February survey of Arizona purchasing managers.

PRICES

Prices paid for major purchased items went up again in February, although at a slightly lower rate than in January. The economy is in good shape on the price front. From a very low price increase rate in December, the inflation rate now is stepping up, although it still is lower than in all except the final three months of 1984. The low rate of inflation will encourage the economy to enjoy a further extension of the measured growth rate it has experienced over the past two years.

DELIVERY TIME/INVENTORIES

Delivery time on shipments from vendors continued to stretch at about the same rate as in January. This indicates that vendor backlogs still exist, typical in an expanding economy.

Inventory levels of purchased materials showed only a small increase in February, marking the eighth consecutive month of essentially level stocks. Inventories appear to be at a realistic level for the current rates of activity. If the current expansion continues, some inventory building probably will take place over the next two quarters.

NEW ORDERS/PRODUCTION

New orders received by Arizona firms advanced sharply in February. The rate of increase was twice as great as in January and the largest increase rate in eight months (since June 1984). This is a definite sign that Arizona's economic growth rate is accelerating at a good pace.

Production also accelerated at a healthy rate in February, boosted by the new order advances. The increase rate was well above that of January and the largest since May 1984.

EMPLOYMENT/PURCHASES

Employment moved up strongly, with a jump that was twice as great as in January and the largest since last October. After plateauing in November and December, Arizona firms now are back in the hiring mode, due to the increasing new order and production rates. Further employment hikes are likely over the next several months.

Purchases of materials and supplies by Arizona firms enjoyed its largest increase in seven months (since July 1984). The increasing purchase volume will provide further stimulus to the expansionary trend and will move the economy to an even higher activity level.

— Harold Fearon

Dr. Fearon is chairman of the Department of Purchasing, Transportation, Operations in the ASU College of Business and is the National Association of Purchasing Management Professor.

TABLE 1
FEBRUARY PURCHASING SURVEY

Key Indicators	Percent of Purchasing Managers Indicating Each Response (February compared to January) Higher	Same	Lower
Prices paid for major commodities	26	65	9
Delivery time from vendors	22	65	13
Purchased materials inventory level	29	46	25
New orders received	43	40	17
Production	43	45	12
Employment	28	57	15
Purchases	46	32	22

Source: Purchasing Management Association of Arizona and the Purchasing Management Association of Southern Arizona

Arizona Purchasing Survey

Now in its 23rd year of monthly reporting, Dr. Harold Fearon's survey of Arizona business conditions utilizes data from a questionnaire sent to members of the purchasing management associations of Arizona and southern Arizona. It asks them to indicate the direction of activity—higher, unchanged, or lower—of seven key measures of economic activity in the month just ended. These purchasing managers deal daily with supply, demand, and price factors in the marketplace; their aggregate readings have accurately charted the state's economic course for two decades, providing timely data on turning points.

Arizona Wholesale Trade Jumps from '77 Levels

At the end of 1982, 4,555 wholesale trade establishments operated in Arizona, according to the Census of Wholesale Trade conducted by the U.S. Bureau of the Census. The number of establishments had increased 27 percent since the previous census in 1977.

The most common type of wholesale trade operation, constituting 82 percent of all establishments, was merchant wholesalers — those involved in buying and selling merchandise on their own account. Manufacturers' sales branches and offices made up 8 percent of all wholesale establishments, and agents, brokers, and commission merchants — those engaged in selling or buying goods for others — made up 10 percent of the total.

SALES VOLUME

The sales volume of all wholesale establishments was $13.9 billion in

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Arizona Construction Soars Beyond Expectations in '84

At the beginning of 1984, nearly all forecasters were confident that construction activity during the year would be strong. The year ended, however, with results greatly exceeding even the most optimistic expectations. Stimulated by an expanding economy, the Arizona construction industry established a record $5.3 billion in new projects permitted. Unlike previous years, the single family home sector was not the leader, replaced by the commercial and industrial sectors.

Total construction activity in Arizona during 1984 exceeded the 1983 records of $3.6 billion and 105,618 permits, with the issuance of 105,665 building permits valued at $5.3 billion. Maricopa County experienced a 54 percent increase in dollar value, from $2.5 billion to $3.8 billion. However, the number of permits issued declined slightly, from 63,567 during 1983 to 63,050 during 1984. Following a similar pattern, Pima County recorded a 25 percent improvement in dollar value, from $609 million to $774 million. The number of permits issued rose slightly, from 17,211 in 1983 to 17,525 in 1984.

Maricopa County continued to dominate Arizona construction activity, with 72 percent of the recorded dollar value; Pima County represented 15 percent of the total. Since the number of permits issued remained virtually unchanged from last year, much of the improvement can be attributed to the increased development of large projects, especially for multifamily dwellings and offices (see Table 1).

SECTORAL ACTIVITY

Residential

Maricopa County. The single family home sector continued to play a subdued role in the real estate recovery. With 20,774 permits issued in 1984, this sector remained basically unchanged from the 20,961 permits recorded in 1983. While these are relatively high levels of activity, they are well below the record level of 30,479 permits issued in 1978.

The factor limiting construction of new single family homes continued to be relatively high interest rates. As shown in Figure I, interest rates increased during spring and summer 1984, before declining to levels comparable to those in late 1983 (13.5 percent for conventional mortgages). Basically, the market was sustained by homebuilders using innovative financing arrangements such as buydowns and mortgage bond programs. As in 1983, considerable effort and innovation were required to provide single family housing at affordable terms.

New single family (detached) home sales grew 5 percent from 9,558 homes during 1983 to 10,037 homes during 1984, while the median sales price increased from $70,050 to $76,950. Some of the price increase can be attributed to stronger sales activity for more expensive homes. In 1983, 30 percent of the new homes were sold for more than $80,000, in comparison to 43 percent during 1984. In the new townhouse/condominium market, sales activity rose from 2,541 units (median sales price of $51,650) to 3,265 units (median sales price of $62,600). This market has become increasingly important for singles or young households due to lower costs and attractive packages of amenities (swimming pools, tennis courts, and unique designs).

Because many households have found it difficult to improve their housing needs through the purchase of another home, they are doing more remodeling of their current home. Residential remodeling activity increased from $40 million during 1983 to $51 million during 1984, although the number of remodeling permits declined.

Rest of Arizona. Single family home activity in Pima County declined from 4,477 permits in 1983 to 4,110 permits during 1984. Mobile home activity, with 2,227 permits, accounted for 15 percent of the total housing units (15,379) authorized in Pima County. In contrast, only 3 percent of the 59,915 authorized housing units in Maricopa County were mobile homes.

Permits for single family homes in Arizona's other 13 counties increased 8 percent during 1984 to 5,961 permits. Greater activity was evident in Apache, Gila, Graham, Mohave, Navajo and Yuma counties (see the Arizona New Housing Starts report on page 14). Counties reporting a decline included Cochise and Pinal.

TABLE 1
KEY SECTOR CONSTRUCTION ACTIVITY
1983 and 1984

			COMMERCIAL							
	SINGLE FAMILY		APARTMENTS[a]		OFFICE BUILDINGS[b]		RETAIL STORES[c]		INDUSTRIAL	
	Number of Permits	Dollar Value	Number of Permits	Dollar Value	Number of Permits	Dollar Value	Number of Permits	Dollar Value	Number of Permits	Dollar Value
Maricopa County										
1984	20,774	1,374,586,500	1,978	929,512,939	382	350,980,149	795	168,105,266	661	223,545,470
1983	20,961	1,085,022,005	1,843	507,362,769	293	185,606,010	658	131,715,327	447	89,365,043
Pima County										
1984	4,110	238,515,692	336	185,788,823	120	76,733,411	79	12,519,169	84	28,585,665
1983	4,477	240,699,501	91	184,207,260	80	40,297,148	74	33,173,623	15	5,073,500
Rest of Arizona										
1984	5,961	263,983,225	113	74,345,784	157	14,797,676	340	53,533,585	122	22,700,411
1983	5,496	232,331,110	55	22,315,156	146	13,703,512	253	24,983,762	112	19,111,900
Arizona Total										
1984	30,845	1,877,085,417	2,427	1,189,627,546	659	442,511,263	1,214	234,158,020	867	274,831,546
1983	30,934	1,558,044,616	1,789	693,885,187	519	239,606,670	983	189,562,712	574	113,550,343

[a]Five or more housing units.
[b]Office, bank, medical and professional buildings.
[c]Shopping centers and other mercantile buildings.

Source: Bureau of Business and Economic Research, College of Business, Arizona State University.

The mobile home sector continued to play an important role in the housing market of non-metropolitan counties: The 5,125 mobile home permits represented 56 percent of all such permits issued in the state. Mobile home activity exceeded single family activity in the counties of Graham, La Paz, Mohave, Pinal and Yuma. A mobile home permit does not necessarily mean the addition of a new housing unit; it may simply record the movement of a unit.

Commercial

Maricopa County. The commercial sector recorded a strong increase from 3,577 permits valued at $927 million during 1983 to 4,532 permits worth $1.7 billion during 1984. The multifamily sector, which consists mostly of apartment projects of five or more units and condominium complexes designed primarily for rental, led the gains. For the second consecutive year, multifamily units permitted (34,284) exceeded single family units permitted (20,774). Much of the multifamily activity was located in Mesa (9,420 units), Phoenix (12,346 units), and Glendale (4,453 units). During the last two years, 55,684 multifamily units have been authorized, more than the 53,195 units permitted from 1978 through 1982. Due to strong in-migration and increased household formation, the metropolitan vacancy rate has remained close to the historical norm.

The office building sector continued a strong level of construction activity, rising from 293 permits valued at $186 million to 382 permits worth $351 million. Leading areas of activity were Phoenix (192 permits at $232 million), Tempe (20 permits at $36 million), Scottsdale (63 permits at $40 million), and Mesa (47 permits at $24 million). With the addition of the high-rise or large-scale project, the office building market has been undergoing fundamental changes.

Stimulated by new housing subdivisions, increased consumer spending and new retail concepts (targeting and off-price), permits for retail buildings increased from 656 worth $132 million to 795 valued at $168 million. Retail activity was especially strong in Mesa (53 permits at $40 million), Phoenix (191 permits at $48 million), Tempe (46 permits at $24 million), and the unincorporated area of the county (395 permits at $40 million).

The hotel/motel sector also demonstrated a strong level of activity, with 53 permits valued at $58 million. Mesa led all cities, with 6 permits worth $33 million, followed by Scottsdale (30 permits at $8 million), Phoenix (3 permits at $8 million), and Paradise Valley (2 permits at $5 million).

Rest of Arizona. Pima County experienced a 31 percent increase in the value of new commercial projects, from $247 million in 1983 to $344 million in 1984. As in Maricopa County, multifamily activity led the sector, with 8,619 authorized units, an 11 percent increase over 1983; the number of multifamily units permitted also exceeded the 4,110 single family permits.

Table 1 shows new office building projects worth $76 million were permitted, with $56 million of the total in the city of Tucson. Only the retail sector declined from 1983 ($33 million to $13 million). The hotel/motel sector had 14 permits worth $57 million, with $40 million in permits for projects in the unincorporated areas of the county.

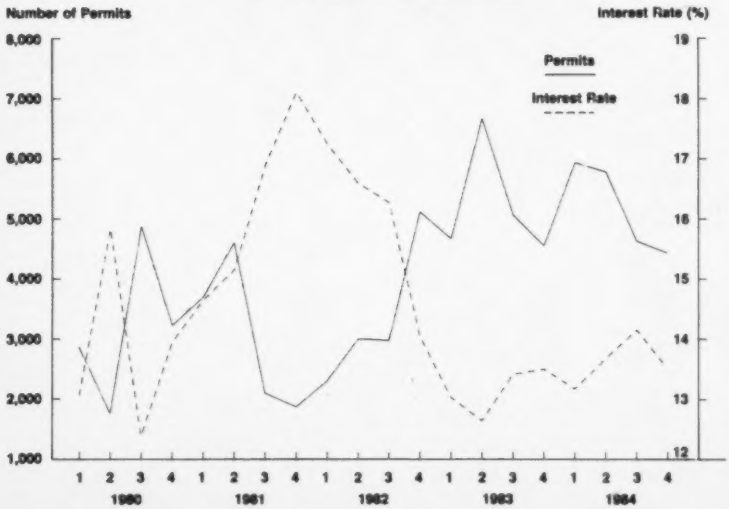
Like its counterpart in the metropolitan counties, the multifamily sector in Arizona's other counties improved, rising from 55 permits worth $22 million in 1983 to 113 permits valued at $74 million in 1984. Active areas included Sierra Vista (152 units), unincorporated Coconino County (168 units), Lake Havasu City (188 units), Mohave Valley North (322 units), unincorporated Pinal County (184 units), and Prescott (129 units). The office building sector remained virtually unchanged, at 157 permits valued at $15 million, in comparison to 146 permits estimated at $14 million in 1983.

After a one-year decline, the retail sector rejuvenated itself, rising from 253 permits valued at $25 million in 1983 to the 1984 level of 340 permits worth $54 million. Some areas of strong activity included Bisbee (3 permits at $1.7 million), Sierra Vista (28 permits at $9.1 million), Lake Havasu City (15 permits at $2.5 million), Mohave Valley North (50 permits at $8.3 million), and Prescott (15 permits at $2.2 million).

Industrial

Maricopa County. The industrial sector dramatically continued the expansion started in 1983. During 1984, the number of permits increased 51 percent, from 447 permits to 661 permits, while dollar value rose 144 percent, from $89 million to $224 million. As in past years, the leading cities were Phoenix (231 permits at $90 million) and Tempe (294 permits worth $58 million). Several cities recorded strong improvement over 1983, such as Chandler, moving from 4 permits ($1 million) to 10 permits

FIGURE I
SINGLE FAMILY PERMITS ISSUED AND CONVENTIONAL MORTGAGE INTEREST RATES
Maricopa County, 1980-84



Source: NEWS, Federal Home Loan Bank Board and Arizona Real Estate Institute, College of Business, Arizona State University.

TABLE 2
EXPECTED PERCENTAGE RATES FOR 1985 ECONOMIC VARIABLES

	SURVEY RESPONDENT GROUP									
	HOME BUILDING		FINANCIAL SERVICE		REAL ESTATE BROKERAGE		OTHER		CONSENSUS	
Economic Indicators	*Mode*	*Median*	*Mode*	*Median*	*Mode*	*Median*	*Mode*	*Median*	*Mode*	*Median*
Conventional mortgage rate	13.0	13.0	13.5	13.2	13.5	13.0	12.0	12.9	13.0	13.0
FHA mortgage rate	12.5	12.5	12.5	12.5	12.0	12.4	12.5	12.2	12.5	12.5
Prime interest rate	11.0	11.2	11.0	11.1	12.0	10.9	11.0	11.0	11.0	11.0
Inflation rate (Phoenix)	5.0	5.0	5.0	5.0	5.0	4.9	5.0	5.1	5.0	5.0
Apartment vacancy rate	7.0	8.2	8.0	11.0	5.0	8.9	10.0	9.0	10.0	9.0
Commercial interest rate	14.0	13.9	13.5	13.5	13.0	13.0	13.0	13.1	13.0	13.0
Six-month Treasury Bill rate	9.5	9.8	10.0	9.5	10.0	9.8	10.0	9.7	10.0	9.8
Unemployment in Phoenix	4.0	4.8	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0

Mode = most common response; Median = middle value in range.

Source: Survey conducted by the Arizona Real Estate Institute, College of Business, Arizona State University, 1985.

($22 million); Scottsdale, increasing from 13 permits ($5 million) to 30 permits ($18 million); and Glendale, improving from no industrial activity to 44 permits ($10 million). While some of the new projects will be utilized for classical industrial activity such as manufacturing, others will provide inexpensive space and good locations for office and retail functions.

Rest of Arizona. For the first time since 1979, Pima County reported a strong level of industrial activity. During 1984, 84 permits worth $29 million were issued, in contrast to only 15 permits valued at $5 million during 1983. Most of the industrial projects were permitted in the unincorporated areas of the county (54 permits at $23 million).

Industrial activity in the non-metropolitan counties increased slightly from the 1983 level of 112 permits ($19 million) to 122 permits ($23 million) in 1984. Casa Grande continued to expand its economic base, with 3 permits worth $11 million. Other areas of industrial activity included unincorporated Yuma County (17 permits at $2 million), Flagstaff (14 permits at $1.3 million), and unincorporated Coconino County (3 permits at $2.2 million).

Other Sectors

The final major category of building activity includes permits for both private and public projects. Private sector building projects are as diverse as swimming pools, fences, and churches, while the public projects include schools and municipal facilities.

In Maricopa County, the total number of permits remained unchanged at 27,377, while the estimated value increased 56 percent, from $294 million to $459 million. Examples of specific types of construction are churches (50 permits at $19 million), government buildings (43 permits at $27 million), and schools (51 permits at $29 million). The greatest increase was for health care facilities, such as hospitals and nursing homes: from 17 permits worth $14 million in 1983 to 31 permits valued at $91 million in 1984.

Pima County had a similar pattern, in which activity rose slightly, from 6,662 to 6,843 permits, while dollar value improved 36 percent, from $93 million to $133 million. Areas of activity included churches (9 permits at $4 million), schools (6 permits at $5 million), and public buildings (22 permits at $25 million).

The non-metropolitan counties also showed improvement in the "other" category, with the value of construction rising from $74 million in 1983 to $93 million in 1984. The dominant type of construction was health care facilities (25 permits at $27 million) in locations such as Payson (4 permits at $2.4 million), Mohave Valley North (a $1.3 million project), Apache Junction (a $2.8 million project), Casa Grande (a $2.1 million facility), Cottonwood (2 permits at $2.4 million), and Yuma (3 permits at $12 million).

OUTLOOK FOR 1985

Record construction activity during 1984 coincided with the rapid growth of the Arizona economy (12.7 percent as measured by the Arizona Gross State Product). The outlook for 1985 is not as promising. The state's economy is expected to achieve only moderate growth of 7.2 percent. Further, the Arizona Index of Leading Economic Indicators is signaling a continuation of the moderate, inconsistent economic growth that was evident during the latter part of 1984. More specifically, retail sales and personal income are expected to grow 10 percent, inflation will be stable at 5.7 percent, and unemployment will rise to 4.5 percent in Maricopa County (5.7 percent statewide). Given these projections, total dollar value of construction activity should decline to $4.4 billion for the entire state and $3.1 billion in Maricopa County.

The fundamental obstacle for 1985 continues to be the federal deficit, which has replaced inflation as the primary economic concern. The deficit affects capital availability and costs because the government must claim an increasing share of the limited investment pool. How the deficit is confronted will affect the confidence outlook of consumers and businesses alike.

The single family housing sector is expected to decline slightly in 1985, to 28,250 permits in the state, of which 19,000 will be in Maricopa County. Because interest rates are not expected to fall much further, most of the construction activity will take place in the early part of 1985. The move-up market (more expensive and larger homes) strengthened in 1984 and is expected to improve during 1985. Due to continuing increases in land prices, new home prices are expected to rise faster than the inflation rate.

Increased demand and abundant financing led the multifamily market to defy all expectations and set a

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More Single Females Buy Homes in '84

Single females purchased 6,800 homes during 1984, an increase of 16 percent from 1983, leading the 10 percent gain in Phoenix metropolitan home sales. Purchases of new townhouses and condominiums by females rose the most, 33 percent. Single females continued to represent an ever-larger share of Phoenix homebuyers, purchasing 12 percent of the 55,650 homes sold during 1984.

The median price of homes purchased by single females grew the most during 1984, 8 percent. Single females now buy nearly as expensive resale homes as single males ($65,500) but continue to buy less expensive new homes (a median price of $67,300 compared to $69,825 by single males).

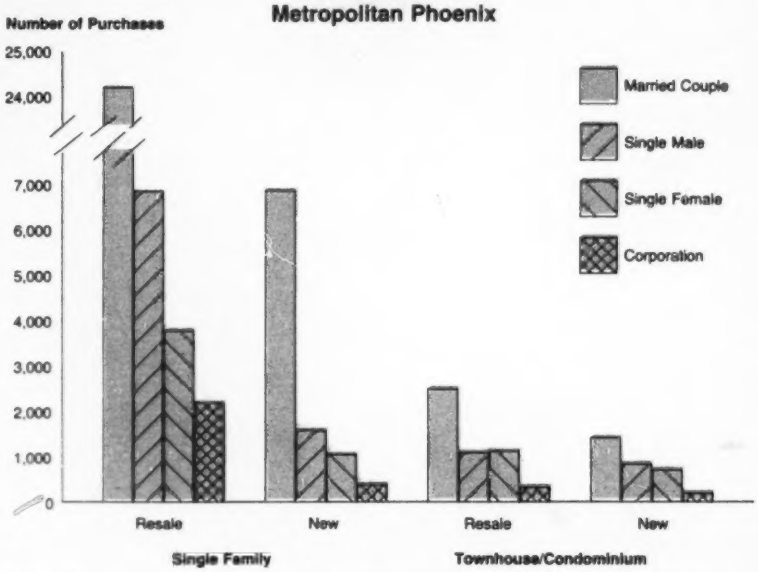
While single females bought nearly as many townhouses and condominiums as single males during 1984, they bought far fewer single family homes (4,900 compared to 8,500). However, the proportion of all single family homes that are purchased by females continued to rise during 1984; the share of single family homes purchased by single males remained constant. Single people purchased 46 percent of all townhouses and condominiums and 28 percent of all single family homes sold during 1984.

COUPLES AND CORPORATIONS

Sales of homes to married couples still make up the majority of the market, as seen in Figure I. Couples purchased 35,150 homes during 1984, 63 percent of the Phoenix area total. They are especially likely to buy single family homes, representing two-thirds of this market, but their 4,000 condominium and townhouse purchases accounted for only one-half of this type of home sale.

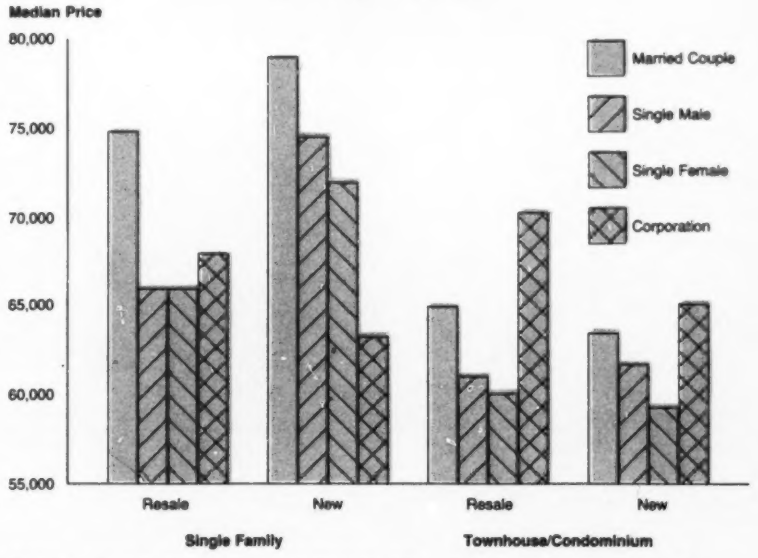
Corporations are the other type of homebuyer, usually purchasing homes as an investment, but their share of the market continued to shrink to 6 percent (3,200 sales) in 1984. Corporations bought new townhouses and condominiums in greater numbers during 1984 (575 compared to 350 in 1983), while purchasing fewer resale single family homes (2,225 compared to 2,350 in 1983), traditionally the more common sale to the corporate market.

FIGURE I
1984 HOMEBUYERS
Metropolitan Phoenix



Source: Bureau of Business and Economic Research, College of Business, Arizona State University.

FIGURE II
1984 HOME PRICES BY TYPE OF BUYER
Metropolitan Phoenix



Source: Bureau of Business and Economic Research, College of Business, Arizona State University.

Married couples continued to purchase more expensive homes than the other categories of homebuyer (see Figure II). The median price of homes purchased by couples was $74,500, 5 percent more than the overall median of $71,025, while the median price of homes purchased by each of the other groups was approximately 5 percent less than the overall median. Corporations, however, bought the most expensive townhouses and condominiums.

— **Tom R. Rex**
Research Manager

Arizona Building Permits: Annual Report

January-December, 1984	Residential* Number of Permits	Residential* Dollar Value	Commercial Number of Permits	Commercial Dollar Value	Industrial Number of Permits	Industrial Dollar Value	Other Number of Permits	Other Dollar Value	Total Number of Permits	Total Dollar Value
APACHE COUNTY										
Eagar	73	2,018,030	6	1,266,900	0	0	4	26,600	83	3,310,530
St. Johns	38	46,500	1	N/C	0	0	0	0	39	46,500
Springerville	29	N/C	1	N/C	0	0	3	N/C	33	N/C
Unincorporated	77	1,668,626	1	53,000	0	0	22	196,241	100	2,118,067
Total, Apache County	217	3,933,356	9	1,319,900	0	0	29	222,841	255	5,475,097
Percent Change, Previous Year	32	19	−54	84	0	0	20	−96	22	−44
COCHISE COUNTY										
Benson	45	361,400	2	47,000	0	0	18	142,733	65	551,133
Bisbee	82	425,200	7	2,197,000	0	0	5	964,446	74	3,586,646
Douglas	123	1,421,048	0	0	0	0	185	650,611	308	2,071,659
Huachuca City	62	126,413	3	334,440	3	329,375	6	169,370	74	959,598
Sierra Vista	336	9,033,809	29	11,307,248	0	0	882	2,865,120	1,249	23,206,175
Tombstone	32	121,295	3	24,245	0	0	56	260,490	98	406,030
Unincorporated	514	15,774,929	47	13,411,800	5	430,800	154	5,892,027	720	35,509,356
Willcox	34	105,350	7	2,501,584	0	0	37	67,748	78	2,674,682
Total, Cochise County	1,217	27,369,444	98	29,823,115	8	760,175	1,343	11,012,545	2,666	68,965,279
Percent Change, Previous Year	−19	−19	2	37	0	40	14	97	−3	12
COCONINO COUNTY										
Flagstaff	669	31,527,593	74	4,686,409	14	1,327,500	281	3,068,652	1,058	40,610,154
Fredonia	24	53,050	2	2,500	0	0	10	24,788	36	80,338
Page	190	3,779,309	5	2,767,080	3	66,173	35	958,770	233	7,593,332
Unincorporated	829	19,676,446	23	51,030,541	3	2,205,906	94	824,548	949	73,737,441
Williams	43	774,839	4	1,016,600	2	62,000	50	35,601	99	1,889,039
Total, Coconino County	1,775	55,811,236	108	59,503,130	22	3,663,579	470	4,912,359	2,375	123,910,304
Percent Change, Previous Year	−2	9	30	481	119	30	−20	4	−5	79
GILA COUNTY										
Globe	30	136,975	1	350,000	0	0	37	309,749	68	796,724
Hayden	3	1,750	0	0	0	0	16	13,090	19	14,840
Miami	10	61,044	1	3,000	0	0	3	4,300	14	68,344
Payson	411	3,515,643	11	1,978,914	20	730,665	42	2,930,466	484	9,155,688
Unincorporated	495	11,679,032	15	319,000	1	28,000	64	2,960,965	575	14,986,997
Total, Gila County	949	15,394,444	28	2,650,914	21	758,665	162	6,218,570	1,160	25,022,593
Percent Change, Previous Year	1	33	3	104	−8	105	−20	558	−2	76
GRAHAM COUNTY										
Pima	47	266,362	1	10,000	0	0	30	60,510	78	336,872
Safford	106	1,624,461	31	685,505	4	422,389	20	424,871	161	3,157,226
Thatcher	63	1,339,000	0	0	1	4,500	7	229,800	71	1,573,300
Unincorporated	204	2,358,339	11	175,300	0	0	5	211,900	220	2,745,539
Total, Graham County	420	5,587,162	43	870,805	5	426,889	62	927,081	530	7,811,937
Percent Change, Previous Year	19	52	43	41	400	184	1	−50	19	23
GREENLEE COUNTY										
Clifton	4	N/C	0	0	0	0	0	0	4	N/C
Duncan	4	79,300	0	0	0	0	5	11,500	9	90,800
Unincorporated	4	38,750	0	0	0	0	1	3,500	5	42,250
Total, Greenlee County	12	118,050	0	0	0	0	6	15,000	18	133,050
Percent Change, Previous Year	50	39	−100	−100	0	0	0	−89	12	−93
LA PAZ COUNTY										
Parker	36	194,828	4	341,800	0	0	19	28,052	59	564,680
Unincorporated	296	4,057,482	10	723,210	6	254,665	103	986,179	415	6,021,556
Total, La Paz County	332	4,252,310	14	1,065,010	6	254,665	122	1,014,231	474	6,586,236
Percent Change, Previous Year	33	2	39	300	9,999	9,999	31	−16	35	17
MARICOPA COUNTY										
Avondale	196	2,586,860	6	670,740	1	280,800	84	308,827	289	3,849,217
Buckeye	29	79,100	3	99,000	1	50,000	14	216,500	47	444,600
Chandler	3,088	189,892,818	119	44,016,784	10	21,807,631	3,987	39,282,143	7,214	294,799,356
El Mirage	47	1,875,140	7	1,393,201	0	0	21	198,450	75	3,366,791
Gila Bend	9	98,092	3	22,600	1	2,000	18	82,970	31	205,662
Gilbert	418	21,805,904	34	8,666,374	12	4,216,936	186	2,802,742	650	37,291,956
Glendale	1,746	93,331,837	512	122,528,179	44	10,190,811	1,416	22,785,894	3,718	248,836,721
Goodyear	28	430,203	8	941,900	2	4,823,000	114	1,315,450	152	7,210,553
Guadalupe	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Mesa	2,981	175,478,913	488	442,181,242	19	3,806,174	3,089	94,383,037	6,517	721,849,366
Paradise Valley	264	19,716,440	6	5,534,041	0	0	353	2,961,482	623	28,211,963
Peoria	1,827	47,858,277	30	10,334,804	4	430,798	1,633	7,228,085	3,494	65,851,972
Phoenix	9,067	409,522,156	1,653	804,578,138	231	90,040,283	7,172	179,399,011	18,153	1,283,539,586
Scottsdale	2,129	232,771,602	473	198,091,431	30	17,953,039	2,071	71,201,406	4,703	520,017,478
Surprise	50	930,887	34	3,755,572	4	543,000	58	860,534	146	6,089,793
Tempe	1,468	78,323,240	595	146,780,409	294	58,102,000	888	15,680,300	3,245	298,885,940
Tolleson	15	490,497	3	1,703,995	1	475,000	3	395,476	22	3,064,938
Unincorporated	7,060	207,319,182	560	80,824,843	4	5,027,000	6,268	19,149,641	13,892	312,120,666
Wickenburg	34	1,049,050	14	2,078,380	3	197,000	9	497,910	60	3,822,350
Youngtown	14	611,770	2	235,000	0	0	13	565,735	29	1,412,505
Total, Maricopa County	30,460	1,454,173,788	4,552	1,674,028,574	861	223,545,470	27,377	459,105,603	63,050	3,810,851,435
Percent Change, Previous Year	−8	25	24	75	51	144	0	56	−1	52

Arizona Building Permits: Annual Report (continued)

January-December, 1984	Residential* Number of Permits	Residential* Dollar Value	Commercial Number of Permits	Commercial Dollar Value	Industrial Number of Permits	Industrial Dollar Value	Other Number of Permits	Other Dollar Value	Total Number of Permits	Total Dollar Value
MOHAVE COUNTY										
Kingman City	202	3,734,160	48	8,071,883	0	0	54	601,409	302	12,607,452
Kingman Area	511	6,197,421	37	1,397,703	5	1,165,342	515	856,673	1,068	9,617,144
Lake Havasu City	614	23,076,824	44	8,869,949	1	12,730	184	1,224,581	823	33,204,084
Lake Havasu Area	53	751,545	9	690,881	0	0	59	180,307	121	1,622,733
Mohave Valley North	1,233	20,184,908	160	21,766,185	2	174,800	825	6,156,178	2,220	48,282,069
Mohave Valley South	1,084	14,988,049	50	2,679,994	0	0	474	1,399,804	1,608	19,065,547
Dolan Springs	96	1,506,301	2	42,872	0	0	93	168,033	191	1,717,206
Sacramento Valley	166	2,262,026	10	168,830	0	0	125	258,154	301	2,679,010
Mohave General	134	2,427,272	8	200,682	1	294,000	51	376,329	192	3,298,283
Total, Mohave County	4,093	75,116,534	364	43,906,684	9	1,646,872	2,360	11,421,468	6,826	132,093,568
Percent Change, Previous Year	19	46	58	94	125	168	−15	51	6	61
NAVAJO COUNTY										
Holbrook	14	121,100	4	198,000	0	0	15	153,500	33	472,600
Show Low	154	3,019,439	7	1,763,842	0	0	72	972,051	233	5,755,332
Snowflake	35	1,980	0	0	0	0	2	1,726	37	3,706
Taylor	12	287,000	0	0	2	25,000	2	9,000	16	321,000
Unincorporated	849	20,130,754	11	987,795	1	68,400	48	855,761	909	22,042,710
Winslow	65	1,068,134	6	832,520	0	0	17	286,500	90	2,187,154
Total, Navajo County	1,129	24,828,407	30	3,782,157	3	93,400	156	2,278,540	1,318	30,782,504
Percent Change, Previous Year	−7	9	3	0	−50	−76	−31	−11	−10	5
PIMA COUNTY										
Marana	44	N/C	0	0	0	0	5	N/C	49	N/C
Oro Valley	61	3,649,352	1	30,000	0	0	32	224,416	94	4,103,768
South Tucson	20	436,602	3	953,447	3	349,520	33	474,920	59	2,214,489
Tucson	3,526	71,500,654	303	183,606,457	27	5,336,236	4,101	69,795,282	7,957	330,242,629
Unincorporated	6,260	193,051,635	360	159,323,166	54	22,897,909	2,672	62,584,156	9,366	437,856,866
Total, Pima County	9,911	268,638,293	667	343,915,070	84	28,585,665	6,843	133,079,774	17,525	774,417,782
Percent Change, Previous Year	−3	0	126	31	459	477	0	36	0	22
PINAL COUNTY										
Apache Junction	558	8,580,898	36	3,286,244	1	12,000	556	6,439,396	1,151	18,318,538
Casa Grande	97	3,089,589	22	2,212,558	3	10,843,078	93	4,600,744	215	20,745,949
Coolidge	67	285,770	2	289,100	0	0	23	69,450	92	624,320
Eloy	31	178,474	2	25,500	1	300,000	32	54,098	66	558,072
Florence	54	185,925	6	392,000	0	0	14	9,754	74	587,679
Kearny	6	61,059	0	0	0	0	11	16,915	17	77,974
Mammoth	4	N/C	0	0	0	0	2	65,000	6	65,000
Superior	14	58,906	1	2,500	0	0	11	21,100	26	82,506
Unincorporated	737	8,677,215	47	6,627,750	4	744,000	295	2,736,916	1,083	18,784,881
Total, Pinal County	1,568	21,097,816	116	12,835,652	9	11,299,078	1,037	14,013,373	2,730	59,945,919
Percent Change, Previous Year	−8	−16	−16	−25	−35	8	12	5	−3	−11
SANTA CRUZ COUNTY										
Nogales	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Patagonia	17	129,229	0	0	0	0	7	191,193	24	320,422
Unincorporated	110	5,278,066	0	0	1	350,000	33	3,446,209	144	9,074,275
Total, Santa Cruz County	127	5,407,295	0	0	1	350,000	40	3,637,402	168	9,394,697
Percent Change, Previous Year	4	−8	−100	−100	9,999	9,999	−27	126	−5	23
YAVAPAI COUNTY										
Chino Valley	159	2,610,844	7	232,400	1	15,000	63	664,343	230	3,522,387
Clarkdale	37	1,231,168	2	75,179	0	0	28	225,928	67	1,532,275
Cottonwood	123	3,000,391	24	3,327,964	5	188,903	48	2,771,110	200	9,288,378
Jerome	23	54,600	0	0	0	0	3	6,000	26	60,600
Prescott	526	15,030,307	50	9,643,203	3	291,040	570	5,497,669	1,149	30,462,219
Prescott Valley	308	9,391,937	17	1,048,271	3	160,800	123	852,873	451	11,454,881
Unincorporated	1,691	55,825,867	82	9,123,184	6	246,280	457	4,100,736	2,236	69,296,067
Total, Yavapai County	2,867	87,144,914	182	23,451,221	18	902,013	1,292	14,118,459	4,359	125,616,807
Percent Change, Previous Year	−7	14	50	94	−59	−20	1	5	−3	21
YUMA COUNTY										
Somerton	48	1,553,845	1	22,000	0	0	17	680,984	66	2,256,829
Unincorporated	1,115	28,957,579	37	5,992,078	17	1,824,990	243	2,262,435	1,412	39,036,982
Wellton	4	74,500	0	0	0	0	1	600	5	75,100
Yuma	446	11,874,074	42	7,508,937	3	100,165	237	20,105,463	728	39,590,639
Total, Yuma County	1,613	42,456,998	80	13,521,015	20	1,925,055	498	23,053,482	2,211	80,959,550
Percent Change, Previous Year	17	21	116	112	81	−6	6	336	17	66
TOTAL, ARIZONA	58,710	2,091,333,007	6,291	2,210,672,247	867	274,831,548	41,787	685,029,729	105,655	5,261,866,529
PERCENT CHANGE, PREVIOUS YEAR	−2	19	32	67	51	138	−1	49	0	44

*Includes mobile homes
N/R: No Report
N/C: Some communities do not collect dollar valuations.
9,999: The prior period had no activity or the percent change is greater than 9,999.
−100: The current period had no activity, but the prior period did have activity.